

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: NARRAGANSETT ELECTRIC COMPANY
LAST RESORT SERVICE RATE

DOCKET NO. 3444

NOTICE TO SOLICIT PUBLIC COMMENTS

In this docket, the Public Utilities Commission (“Commission”) reviews the Narragansett Electric Company (“Narragansett”) Last Resort Acquisition Plan. The Plan addresses procedures for the acquisition of Last Resort Service from wholesale power suppliers, pricing options and terms of service.

In June 2000, the Narragansett Electric Company incurred a high under-collection due to a large number of non-residential customers taking Last Resort Service (“LRS”) during a period when the market rate for electricity was high. In an attempt to mitigate Narragansett’s under-collection, the Commission set the non-residential LRS rate to be the higher of 4.5¢ per kWh or the market cost of energy for the month. A floor rate of 4.5¢ per kWh for non-residential LRS customers has been kept in effect to this date. At a recent hearing held July 15, 2002, the Commission learned that Narragansett’s under-collection has been paid. There is a possibility that the market rate for LRS could fall below the floor price of 4.5¢ per kWh. The Commission seeks comments whether there is still sound policy or reason for keeping the floor rate of 4.5¢ for non-residential LRS customers.

Interested parties and members of the public wishing to offer comments regarding the current policy or change in the existing policy may do so in writing. **The Commission will accept comments until 4:00 PM on October 5, 2002.** An original and nine (9) copies of written

comments must be filed with the Clerk of the Public Utilities Commission, 89 Jefferson Boulevard, Warwick, Rhode Island, 02888.

Docket No. 3444 is available for examination at the Commission's office and at the office of the Narragansett Electric Company, 280 Melrose Street, Providence, Rhode Island.

Reference is made to Chapters 39-1, 39-3 and 42-35 of the Rhode Island General Laws.

Luly E. Massaro
Commission Clerk
September 11, 2002